



**Organisation for Economic Co-operation and Development (OECD)
OECD Anti-Corruption Network for Eastern Europe and Central Asia (ACN)**

22nd ACN STEERING GROUP MEETING

14 September 2017

OECD, 2 rue André-Pascal, 75016 Paris

SUMMARY RECORD

The summary record was prepared by the ACN Secretariat. It summarises the discussion and decisions taken at the 22nd ACN Steering Group meeting on 14 September 2017. This summary record has been endorsed during the 23rd ACN Steering Group meeting on 5 July 2018. For further information, please contact ACN Secretariat, tel.: 33 1 45 24 13 81, e-mail: olga.savran@oecd.org.

1. Opening

The 22nd meeting of the ACN Steering Group took place on 14 September 2017, at the OECD Headquarters in Paris, back-to-back to the 18th monitoring meeting of the Istanbul Anti-Corruption Action Plan (see the meeting page [here](#)). The OECD Deputy Secretary General **Mr. Douglas Frantz** opened the meeting co-chaired by **Mrs. Mathilde Mesnard**, Deputy Director, OECD Directorate for Financial and Enterprise Affairs and **Mr. Suren Krmoyan**, Deputy Minister of Justice of Armenia. The Steering Group adopted the [summary record](#) of the 21st Steering Group meeting and the [Agenda](#) for the 22nd meeting.

2. ACN Activity Report 2016

Mrs. Olga Savran, the Manager of the ACN, presented the ACN 2016 Activity Report. The Activity Report for the first time includes a section on outputs, results and impact with success stories and performance indicators using data collected from the ACN countries.

Switzerland praised the ACN Secretariat for an impressive report and suggested that the future reports could focus more on success stories to illustrate the results in a way that is easy to understand for those who do not closely follow the ACN work. Switzerland also recommended simplifying indicators by regrouping them or shortening the list. A working group on indicators could be formed. The experience of the OECD Directorates ([Development Co-operation Directorate](#) (DAC) evaluation guidelines and DAC [Network on Governance](#)) could be used for this purpose.

Latvia stressed the need to ensure synergies with existing data collection systems at the local level. The representative suggested that the ACN should use the data, that countries already collect for internal purposes or for other international organisations not to put additional burden on its members. The representative also underlined the challenges associated with collecting statistical data on compliance by companies. Instead, the survey of business could be carried out to assess the attitudes to corruption. **Mrs. Enery Quinones**, the Chair of the Istanbul Anti-Corruption Action Plan (IAP) responded that a lot of business associations collect related data, thus, the information could be obtained from them.

Albania noted that it would be desirable to find synergies and come up with the outcome indicators that are applicable to all countries in question to have a comparable set of data. **Armenia** reinforced this point.

The **ACN Secretariat** pointed out that this was the first attempt to include indicators in the activity report and expressed readiness to coordinate the work of the respective working group.

The **Steering Group decided** to create a working group to further develop the ACN performance indicators. The following representatives expressed interest in participating in its work: Albania, Armenia, Croatia, Latvia, NGO representative from Kazakhstan (Sange Research Centre) and TI Georgia.

TI Georgia reflected on how the CSOs can contribute to measuring impact: the standard questions could be added to local surveys to collect relevant data, if such surveys are conducted regularly. The TI Georgia has conducted extensive corruption surveys and would be able to do so in the future.

3. Update on the ACN Fundraising Strategy and discussion

The **ACN Secretariat** presented the update on implementation of the Fundraising Strategy and consultations about the model Memorandum of Understanding (MOU) to create legal basis for membership fees ensuring longer term financial stability. The **Secretariat** invited the countries to discuss the obstacles related to membership fees and what measures should be taken to address these challenges; what are the obstacles for diversifying donor's base and what measures should be taken to address these; if funding constraints persist, what activities should be prioritized, and what activities should be scaled down.

Albania informed that due to the ongoing institutional rearrangement as a result of which the functions of the ACN national coordinator may move from the Ministry of Justice, funding issue can only be discussed in December 2017. It would be useful if the Secretariat reaches out to Albania using various channels, including the Ministry of Foreign Affairs.

Armenia noted that the MOU was circulated in the government and the feedback on funding is positive. However, the legal basis for providing fees remains problematic. The internal discussions suggested that treating the MOU as an international treaty could be a solution. Armenia will give the final response early 2018.

Azerbaijan has circulated the MOU in the government agencies. As a result, the Government of Azerbaijan is ready to sign the MOU provided that a few amendments are made in the text which they will communicate to the Secretariat separately.

Belarus noted that the decision should be made by the Cabinet of Ministers and requested the Secretariat to send a letter to this effect. The national coordinator will be in touch with the Secretariat to work on this letter.

Bosnia and Herzegovina pointed out that the national coordinator has requested the feedback on the issue but has not received any information yet. They will inform the Secretariat as soon as they get the feedback.

Croatia has also circulated the MOU for internal comments. The document is in the Ministry of Justice and the situation will be clearer in a couple of months. Preliminary position is that the MOU has to be adopted as a law in order to have a binding effect. In addition, Croatia has comments on the text of the MOU which will be communicated to the Secretariat.

Georgia informed that they are discussing the MOU with the Ministry of Foreign Affairs and in principle the response should be positive, this will be confirmed in October, however the fees cannot be provided earlier than 2019.

Kazakhstan stated that according to the law, membership fees can only be provided to an international organisation that they are members of, thus although they agree to the membership fees, the legal problem needs to be resolved first. The consultations are ongoing with the Ministry of Foreign Affairs. They will get back to the Secretariat with the clarification.

Kyrgyzstan pointed out that they have the same problem, the preliminary consent exists but it should be formalized. Kyrgyzstan requested the Secretariat to send a letter to the Ministry of Foreign Affairs and the Prosecutor General's Office.

Latvia informed that the position has not changed since the last communication, even though they had further discussion about this, the membership fees cannot be provided. Latvia understands that the fees it pays to the OECD should include the ACN; Latvia therefore will not be able to conclude the MOU. However, it committed to provide its expertise to the ACN events.

Lithuania confirmed that their attitude towards the MOU and the membership fees to the ACN remains positive. However, as it seems that the MOU will not be signed by the beginning of the year 2018 and the drafting and signing procedures might take place for the bigger part of the next year, Lithuania would consider it to be more appropriate to start paying the membership fee from the year 2019, in case all the main legal and administrative questions are solved and consensus amongst the member states is found.

FYROM informed that the delayed response is caused by slow transition process after the elections. The national coordinator raised this issue again in the beginning of August and the Ministry of Justice and the Ministry of Foreign Affairs had meetings to prepare communication for the Government. The ACN Secretariat will be informed accordingly.

Moldova could not provide a definite answer since the possibility of signing the MOU is still under consideration. After the coordination and negotiations within the government a number of procedural steps should be taken. The MOU is considered as an international agreement and should be signed by the President of the Republic of Moldova.

Mongolia informed that the internal procedure is ongoing, the Parliament, the Ministry of Foreign Affairs and the Ministry of Justice are involved. However, the membership fees can only be provided in 2019.

Montenegro has expressed the willingness to fund the ACN's work. It has provided the comments to the draft MOU and requested several clarifications. In addition, having consulted the authorities at the national level, the representative of Montenegro informed that they would need a letter to the Ministry of Justice. The relevant internal procedures would follow thereafter.

Romania noted that the relevant line ministry, the Ministry of Foreign Affairs and the State Treasury have proposals which should be approved in the next couple of weeks. They are considering how to give the MOU the legal status of a treaty.

Serbia informed that the consultations are ongoing between the Ministry of Foreign Affairs, the Ministry of Finance and the Ministry of Justice. The clarification is required from the ACN Secretariat regarding the amount of the membership fee.

Tajikistan noted that the MOU was sent to the Ministry of Foreign Affairs and they have proposals of which Secretariat will be informed soon.

Uzbekistan informed that the MOU was sent to the line ministries and promised to speed up the process.

The **Secretariat** informed that they are working with the OECD Directorate for Legal Affairs and will provide with the responses on the questions posed, as well as all the requests for letters or further consultations on the text of the MOU have been noted for the follow up.

Further, the **Secretariat** called on the ACN countries to help liaise with donors operating in their respective countries to work on joint projects where relevant. To the question what priorities should ACN focus on if the funds were to be cut, the countries named anti-corruption policies at national and sector level, IAP monitoring and law enforcement network as areas to continue work on.

4. Amendments to the methodology for the 4th monitoring round

The **Secretariat** presented the proposed amendments to the methodology of the 4th monitoring round under the IAP. The amendments are aimed at further strengthening the methodology to address the situations of insufficient cooperation by a monitored country when due to the lack of information it is impossible to reach the conclusions in the report. In such a case, *bis* procedure, full or partial repetition of monitoring, is proposed by the amendments. The decision about the full or partial *bis* should be taken by the ACN Plenary.

Another important amendment concerns the response to the failure to comply with the recommendations by the monitored country. In case of a serious non-compliance (actions contradicting international anti-corruption standards, undermining the functioning of the anti-corruption institutions, as defined by the proposed amendments), the OECD/ACN Secretariat in consultation with the IAP Chair can decide to address the country with a high-level letter, conduct a high-level mission in the country or release a public statement.

In addition, the proposed changes aim at streamlining procedure for bilateral consultations and readings of the report at the plenary, as well as structuring the return mission agenda to allow better discussion of the adopted report and recommendations with the stakeholders of the monitored country.

The Secretariat invited the Steering Group to discuss the proposed amendments.

The Chair of the IAP, **Mrs. Enery Quinones** objected the idea of a full *bis*, noting that the costs would be unjustifiable and that countries should not be encouraged to fail the monitoring by giving them a second chance. Also, *bis* should be interpreted as a sanction for a failure to provide necessary cooperation rather than a chance to repeat the monitoring to improve the results. In addition, Mrs. Quinones suggested that the format of presentations of the progress

updates at the plenary should be changed, made more structured and concise following the example of Armenia progress update presentation during this plenary meeting. **FYROM** agreed to the Chair that there is no need to have a full *bis* in the methodology, other monitoring mechanisms do not have such a procedure either.

The Secretariat raised the issue of cut-off date for providing information to the monitoring team by the monitored country, highlighting that when commenting on the draft report countries tend to provide new information that is difficult to process in a short time and is against the methodology rule regarding the cut-off date for providing the information (one month before the adoption of the report). In this connection, Ukraine raised the issue of short time given to them for providing comments. The Steering Group discussed that the deadlines and timing for submission of the draft report as well as the comments should be strictly respected in the future. **Latvia** noted that in some instances not only written comments but also oral information provided during the bilateral meetings could be taken into account. **The Secretariat** clarified that the report could take note of the provided information and where necessary underline that the provided information could not be analysed due to the lack of time referring to the rule on cut-off date in the methodology.

Georgia raised a question on how would insufficient cooperation be defined. The Secretariat responded that it should be at the discretion of the monitoring team to assess whether the cooperation has been sufficient to receive the information needed for reaching the conclusions in the report. The **Chair** reinforced this point, suggesting that the Secretariat and the experts are best placed to do so since they have a good understanding of the type of information they need in case of each monitoring.

Armenia proposed giving the discretion to the Secretariat to decide on drafting a letter or conducting a high-level mission, however, the third measure – the public statement, should be exceptional and approved by the plenary.

The Steering Group decided to adopt the proposed changes about bilateral meetings, partial *bis*, measures in case of failure to comply and written comments to the draft report. The exact wording will be proposed by the Secretariat for written procedure.

5. Presentation of the thematic studies

The ACN Secretariat presented the draft thematic study on confiscation prepared under the theme of criminalisation of corruption. The study will be finalized in the course of the year. **Mr. Valts Kalnins**, consultant and **Ms. Anastasia Kossov**, South East Europe Division, Global

Relations Secretariat presented the Anti-Corruption Policy Chapter of the forthcoming publication *Competitiveness in South East Europe: A Policy Outlook 2018* to be launched in Spring 2018 by the OECD Global Relations Directorate.

Mr. Mihaylo Milovanovitch, the representative of the Center for Applied Policy and Integrity, presented the draft thematic study on education: a joint effort between OECD ACN, UNESCO International Institute for Educational Planning (IIEP), the World Bank, Transparency International, and the Center for Applied Policy and integrity. The study describes integrity violations in the education systems (illegal access to education, improper private supplementary tutoring, politisation of education, misappropriation of funds, procurement violations, accreditation and licensing violations, etc.) and proposes actions to prevent these practices. The study will be finalized in the coming months. The presentation was followed by the discussion on the lack of precise wording in the legislation on education posing corruption risks and related anti-corruption expertise of legislation, lack of transparency of data on spending the financial resources received from the budget, lack of conflict of interest regulations and enforcement.

EU Anti-Corruption Initiative in Ukraine (EU ACI) pointed out that they would like to work on integrity in education in Ukraine and are looking for success stories. The Secretariat responded that the work of the OECD Directorate for Education and Skills on Ukraine and [the proceedings of the seminar](#) on the prevention of corruption at sector level in Issyk-Kul Kyrgyzstan, as well as the ACN thematic study [Prevention of Corruption in Education, Extractive and Police Sectors](#) could be consulted on this issue.

Ukraine highlighted that the system of education was one of the most corrupt in the public sector of Ukraine. The new law on education was adopted and the reform started. **Tajikistan** as well noted that corruption is spread in the middle and higher education. Anti-corruption awareness is needed to build zero tolerance to corruption, strengthen competences of the NGOs and journalists to be strong partners in the fight against corruption in education sector.

6. Tour de Table on prevention of corruption at local level and Tour de Table of international organisations

Croatia presented the main corruption prevention initiatives at the local level focused on municipally owned enterprises, including the issues of transparency, code of ethics and conflict of interest management. Croatia's strategic anti-corruption documents for the local level mainly focus on improved management of state assets and human resources in local governments and public service delivery. Action plans for local level aim at strengthening

efficiency and increased responsibility of local level officials, business integrity in the municipally owned enterprises, and their transparency.

The representative of the Anti-Corruption Agency of **Serbia** presented the competences of the Agency in relation to the anti-corruption policies at the local level including corruption risk assessment, model of anti-corruption action plans for local government and informed that the second cycle of integrity plans started in 2016 based on the report on integrity self-assessment of the local government and the report of the first cycle integrity plan implementation results.

Ukraine informed about the activities of the NACP at the local level that includes support in developing anti-corruption programmes, improving risk assessment methodology, monitoring of implementation of anti-corruption programmes and inspections. In 2016 the NACP received 24 anti-corruption programmes from the local government and reviewed 14 of them. In addition, Ukraine presented the NGO initiative that helps uncover conflict of interest, so-called *Hidden Interest* created by an NGO, Anti-Corruption Headquarters. The [web-site](#) is an attempt to create a database of companies associated with politicians, high-ranking officials and their family members. The database covers 3 regions now and 4 to be added soon.

Belarus informed about anti-corruption commissions, risk assessments and action plans at the local level.

Moldova noted that the national strategy addresses the anti-corruption work at the local level. Risk assessment has been conducted in pilot areas. 85% of local public authorities adopted anti-corruption action plans. The National Anti-Corruption Centre reviewed implementation of these plans and the results show that 60% of the activities have been implemented. Non-governmental organisations implemented a project for raising transparency in 2016, based on this, the Centre carried out the trainings for local government officials. The work is ongoing on new anti-corruption action plan and its on-line monitoring mechanism.

Bosnia and Herzegovina informed about the integrity plans at the local level as well as local integrity system assessment in 10 local government units. The local integrity system assessment was developed in cooperation with the Transparency International Bosnia and Herzegovina (TI BiH). The trainings were conducted in cooperation with the TI BiH. Donors are working on integrity at the local level through their various projects.

The representatives of the **EU** informed that they are working on the post-visa liberalisation monitoring mechanism and related reinforced suspension mechanism. The report on the aftermath of visa liberalisation for Ukraine, Georgia and Moldova is to be published early 2018.

The European Parliament and the Council will take steps if necessary. As regards their Eastern Partnership work, the milestones for 2017 will be assessed on 24 November Eastern Partnership Summit. This work covers both prevention of corruption and enforcement.

EU ACI highlighted the areas they work on in Ukraine, including decentralization, public administration reform, increasing capacities of the anti-corruption agencies, openness and empowerment of civil society. They work with the Parliament as well as at the regional level and local levels on policy as well as regulatory framework and integrity plans.

Council of Europe's Economic Crime Cooperation Division informed about their current work involving 18 Member States and 3 regional programmes, on the issues of corruption, money laundering and terrorism financing. The impact of this work includes influencing legislative processes, providing and supporting policy and strategy reforms to address GRECO and MONEYVAL recommendations at the national level. There is an intention to extend the technical assistance work in Central Asia (4th region). The work with South-Eastern Europe and Eastern Partnership countries would continue during the next 4 years. Current regional programmes involve: Horizontal Facility for the Western Balkans and Turkey (HF-I); Partnership for Good Governance in Eastern Partnership Countries (PGG-EaP II); and South Neighbourhood Anti-Corruption Programme (SNACII).

The **United States Bureau of International Narcotics and Law Enforcement Affairs (INL)** pointed out that they are pleased with the results of the project on Kyrgyzstan and plan funding a country project as well as regional activities of the ACN.

UNDP Istanbul Regional Hub highlighted good experience of cooperating with the OECD ACN and the country offices of the UNDP and spoke about future joint projects. The Regional Hub works with 80 countries. They benefit from strong presence in the country level and work on good governance, innovations, rule of law, human rights and promoting UN Sustainable Development Goals.

Regional Anti-Corruption Initiative (RAI) a regional organization of 9 South-East European countries with two observers (Georgia and Poland). RAI noted that they are finalizing the work on the initiative for exchanging data between integrity bodies in the members states. The text of the treaty was presented in June during [Tbilisi seminar on asset declarations](#). They expect that the treaty will be signed in 2018. RAI considers cooperation with the ACN very valuable and will continue supporting the ACN work as it has done so in the past.

European Bank for Reconstruction and Development (EBRD) stressed their commitment to support business integrity work of the ACN. The representative highlighted Kiev regional seminar on business integrity and spoke about the importance of working on anti-corruption in public and private sectors, civil society engagement, their activities in Balkans and the July sub-regional seminar on business integrity for the Western Balkans in Belgrade.

7. ACN Work Programme Implementation

Mrs. Olga Savran, the ACN manager provided an update on the implementation of the ACN Work Programme and presented the plans for the second half of 2017 including the following activities:

- **Istanbul Anti-Corruption Action Plan:** publication of reports, press releases and *bis* on Ukraine SOE chapter of the fourth monitoring round report; return missions in Ukraine and Tajikistan; publication of progress updates; selection of sectors for the next countries to be monitored, Armenia and Kyrgyzstan.
- **Prevention of corruption:** publication of the study on Declaration of Interest and Assets; seminar on corruption at local level in cooperation with the UNDP and RAI in Albania; Start of the work on the thematic study.
- **Business integrity:** Seminar on SMEs for East Europe, Caucasus and Turkey in Tbilisi in cooperation with the EBRD and UNDP. Seminar on SOEs for Central Asia (TBC). Seminar on maritime and customs initiatives for Black and Mediterranean seas (TBC).
- **Criminalisation and Law-Enforcement:** study on confiscation to be completed in autumn 2017; new study on asset recovery to be launched after the LEN meeting in October; next Law Enforcement Network meeting on 25-27 October in Baku fully funded by Azerbaijan; contribution to LEN in Asia-Pacific in Seoul.
- **Country projects: Ukraine** the work will continue with the law-enforcement; asset recovery agency; business ombudsman and donors. Ukrainian Network for Integrity and Compliance (UNIC) event is planned on 9 October in Kyiv in cooperation with the Business Ombudsman of Ukraine and the EBRD. **Kyrgyzstan** – training manual on financial investigations of corruption cases to be finalized.

8. Closing

The co-chair thanked the participants for a fruitful meeting. The 22nd meeting of the ACN Steering Group was closed.